

State of Alaska FY2005 Governor's Operating Budget

Department of Labor and Workforce Development Business Partnerships Results Delivery Unit Budget Summary

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Business Partnerships Results Delivery Unit

Contribution to Department's Mission

The Business Partnerships RDU contributes to the department's mission by working to provide a workforce designed to meet Alaskan employer's needs.

Core Services

The Business Partnerships RDU provides core services through the following state and federal job training programs: the Workforce Investment Act of 1998 (WIA) Title I, the State Training Employment Program (STEP), the Denali Commission Training funds, Youth with Disabilities in Transition Program, the Alaska Vocational Technical Center in Seward and the Alaska Technical Center in Kotzebue.

The Workforce Investment Boards Component supports Alaska's Workforce Investment Board (AWIB), which is responsible for the oversight and continuous improvement of the federal, state, and local partnerships that implement the workforce investment system. This component provides staff to the AWIB and provides policy planning for the training and employment resources for state and federal programs.

The Business Services Component designs and implements programs based upon the broad policies of the Alaska Workforce Investment Board. Business Services provides administration, technical assistance, reporting of program performance and evaluation as well as grant management of federal and state funds.

The Alaska Vocational Technical Center (AVTEC) offers post-secondary vocational technical education and training for Alaskans. AVTEC provides long-term training in 15 different business and industry fields and a wide variety of short-term training and educational programs. AVTEC coordinates with secondary education programs in preparing career paths for Alaska high school students to fill the 70 – 80% of jobs that do not require a college degree.

The Kotzebue Technical Center Grant component provides funds to the Alaska Technical Center (ATC) located in Kotzebue. ATC offers residential adult vocational training through the Northwest Arctic Borough School District. ATC operates programs in building industrial technology, office occupations, mine maintenance technology, and health occupations in addition to short-term training in response to statewide industry needs.

End Results	Strategies to Achieve Results
<p>(1) Increase employment through job training.</p> <p><u>Target:</u> Increase to 90 percent the participants satisfied with services.</p> <p><u>Measure:</u> Percent of participants being satisfied with services.</p> <p><u>Target:</u> At least 70% of trained participants will enter employment</p> <p><u>Measure:</u> Percent of trained participants entering employment</p>	<p>(1) Maximize the degree to which workforce investment resources are invested according to the industry priorities of the Alaska Workforce Investment Board (AWIB).</p> <p><u>Target:</u> At least 60% of participants are trained in occupations aligned with the board 's industry priorities.</p> <p><u>Measure:</u> Percent of participants trained in priority industry occupations.</p> <p>(2) Maximize the return on investment for training resources.</p> <p><u>Target:</u> At least 90% of AVTEC long-term graduates are employed in their area of training.</p> <p><u>Measure:</u> The percent of AVTEC long-term graduates employed in their area of training.</p> <p><u>Target:</u> Within 6 months of training, 50% of a participant's training costs will be matched by earning changes.</p>

End Results	Strategies to Achieve Results
	<p><u>Measure:</u> Change in participant's earnings after 6 months equaling 50 percent of the cost of training.</p> <p>(3) Meet all negotiated performance standards set by the Alaska Workforce Investment Board and USDOL.</p> <p><u>Target:</u> Meet all 22 negotiated performance standards.</p> <p><u>Measure:</u> The number of negotiated performance standards that are met.</p> <p><u>Target:</u> At least 77% of AVTEC students complete long-term programs.</p> <p><u>Measure:</u> The percent of AVTEC students who complete long-term programs.</p>

Major Activities to Advance Strategies	
<ul style="list-style-type: none"> • Management Information System (MIS) training for all grantees by 12/31/03 • Evaluate first round of investment strategy by 01/06/04 • Develop Policy on Seasonal Waiver by 01/01/04 • Initiate improvement to investment strategy by 01/15/04 • Complete AWIB Strategic Plan by 02/10/04 • Identify and announce priority industries by 02/10/04 • Submit Report on Training programs by 02/10/04 • Standardize grant application and forms by 03/31/04 • Update Eligible Training Provider List (ETPL) policy by 04/01/04 • Hold construction industry forum by 01/30/04 • Include grantee reports in database by 04/15/04 • Update miscellaneous fiscal and program policies by 03/31/04 • AVTEC-Employ full-time placement specialist to coordinate directly with employers to pipeline AVTEC students into jobs upon graduation • AVTEC-Host an employment fair at AVTEC in Seward • AVTEC-Integrate job search, resume writing, and interview training into all AVTEC long-term training programs • Re-certify one-stops by 06/30/04 • Conduct program evaluation by 6/30/04 • AVTEC-Invite industry professionals to participate in mock interviews with AVTEC students • Conduct skill standards workshop by 06/30/04 	<ul style="list-style-type: none"> • AVTEC-Maintain industry advisory boards for each training program to ensure quality and relevance of training • Complete Partner Memorandum of Understanding by 06/30/04 • AVTEC-Achieve nationally recognized skill standards certifications for each training program • Monitor all current year grantees by 06/30/04 • AVTEC-Seek grant funding to continue Foundation Skills Training to help students improve reading, writing, math, and computer skills • Update program administration policies by 06/30/04 • AVTEC-Conduct student field trips to industry work sites and career fairs • Market investment strategy to 5 organizations by 06/30/04 • AVTEC-Coordinate with student sponsors to improve application screening to help increase prospective student success • AVTEC-Continue to develop industry partnerships to ensure direct employment of graduates • Prepare for monitoring by USDOL by 8/31/04 • Update standards for ETPL by 9/30/04 • Submit report to ODEP on Disability grant by 12/31/04 • Training ETPL providers on Skill Standards by 12/31/04 • Submit annual WIA report to USDOL by 12/1/04 • Review 10 percent of grantee participant files by 3/31/05 • Update WIA unified state plan by 6/30/05 • Conduct program evaluation by 6/30/05

FY2005 Resources Allocated to Achieve Results

FY2005 Results Delivery Unit Budget: \$51,834,400	Personnel:	
	Full time	61
	Part time	54
	Total	115

Performance Measure Detail

(1) Result: Increase employment through job training.

Target: Increase to 90 percent the participants satisfied with services.

Measure: Percent of participants being satisfied with services.

Analysis of results and challenges: The division sends surveys to people who received training service. If our participants are getting employed, we are providing a quality service to employers. In other words we train someone for a job they want or exists in the economy.

Our participant customer satisfaction rate for SFY2003 was 75.3% for WIA and 80.2% for STEP; however, our response rates were low (36.9% for WIA and 25.9% for STEP). We are developing strategies for improving the response rate and increasing the customer satisfaction rate. Specifically, more timely entry of records and maintenance of contact information should increase our response rate to our 70% goal.

Target: At least 70% of trained participants will enter employment

Measure: Percent of trained participants entering employment

Analysis of results and challenges: By the end of November 2003, we will be able to determine an aggregate percentage for the Entered Employment rate that will account for performance in multiple training programs. We have historical data for the Entered Employment rate from SFY01 forward for the following programs: WIA Adult, WIA Youth, WIA Dislocated Worker, and the State Training Employment Program (STEP).

(1) Strategy: Maximize the degree to which workforce investment resources are invested according to the industry priorities of the Alaska Workforce Investment Board (AWIB).

Target: At least 60% of participants are trained in occupations aligned with the board 's industry priorities.

Measure: Percent of participants trained in priority industry occupations.

Analysis of results and challenges: We will allocate our limited training resources toward priority occupations to increase the likelihood that our training participants will obtain employment in alignment with these priorities. We will use industry priority occupations as criteria of grant awards. The prioritization of industries is based upon demand, growth and high non-residency.

Our Management Information System (MIS) participant data is incomplete for prior years, but for SFY2003 we show approximately 52% of clients trained in industry priority occupations. We are currently working to ensure the industry data is entered in the MIS for each participant. We think SFY2004 MIS data will be more complete and will show a higher percentage of clients trained in priority industry occupations. In addition, we will use these priorities more explicitly to help inform participants as they utilize their "customer choice" options for training.

(2) Strategy: Maximize the return on investment for training resources.

Target: At least 90% of AVTEC long-term graduates are employed in their area of training.

Measure: The percent of AVTEC long-term graduates employed in their area of training.

AVTEC Long-Term Graduates Placement Rate

Year					YTD Total
1999					81%
2000					86%
2001					94%
2002					90%
2003					91%

Analysis of results and challenges: AVTEC has been nationally accredited by the Council on Occupational Education (COE) since 1997. The COE benchmark for measuring "graduates of long-term programs employed in their area of training" is established as the national average of more than 370 similar public post-secondary institutions. For each year from 1999 to 2003, AVTEC has consistently met or exceeded the benchmark. The COE benchmarks established were: 1999=80%, 2000=86%, 2001=90%, 2002=86%, and 2003=86%. AVTEC only tracks the long-term (longer than six weeks) program graduates for this measure.

Target: Within 6 months of training, 50% of a participant's training costs will be matched by earning changes.

Measure: Change in participant's earnings after 6 months equaling 50 percent of the cost of training.

Analysis of results and challenges: We want to maximize the value of training and encourage economic growth through increased wages that are equal to the cost of training. The division plans to use this as a measure of return on investment. The formula to calculate the ratio will be developed by December 15, 2003. The six month earnings change data is available, but we currently don't compare that to the cost of training. SFY2003 performance data will be used to establish a baseline.

(3) Strategy: Meet all negotiated performance standards set by the Alaska Workforce Investment Board and USDOL.

Target: Meet all 22 negotiated performance standards.

Measure: The number of negotiated performance standards that are met.

Analysis of results and challenges: The federal performance measures for the WIA Adult, Dislocated Worker and Youth programs vary by program and by program year. The seventeen measures for SFY2003 are as follows:

1. Adult Entered Employment Rate - Goal 66% - Actual 76.5%
2. Dislocated Worker Entered Employment Rate -Goal 67% - Actual 78%
3. Older Youth Entered Employment Rate-Goal 67%-Actual 59.2%
4. Adult Employment Retention Rate - Goal 80% - Actual 82.5%
5. Dislocated Worker Employment Retention Rate - Goal 85% - Actual 84.1%
6. Older Youth Employment Retention Rate - Goal 70% - Actual 80%
7. Younger Youth Employment Retention Rate - Goal 54% - Actual 46.7%
8. Adult Earnings Change Rate - Goal \$4,000 - Actual \$6,013
9. Older Youth Earnings Change Rate - Goal \$2,500 - Actual \$3,113
10. Younger Youth Diploma Rate - Goal 55% - Actual 62.6%
11. Younger Youth Skill Attainment Rate - Goal 74% - Actual 88.9%
12. Adult Credential and Employment Rate - Goal 55% - Actual 65.0%
13. Dislocated Worker Credential and Employment Rate - Goal 55% - Actual 70.2%
14. Older Youth Credential and Employment Rate - Goal 45% - Actual 40.7%
15. Dislocated Worker Entered Employment Wages - Goal 92% - Actual 150.9%
16. WIA Employer Satisfaction - Goal 70% - Actual 77.6%
17. WIA Participant Satisfaction Rate - Goal 70% - Actual 75.3%

The five SFY2003 State Training Employment Program (STEP) performance measures include:

1. Entered Employment Rate - Actual 86.6%
2. Employment Retention Rate - Actual 86.6%
3. Earnings Change Rate - Goal \$2,000 - Actual \$3,442
4. Credential and Employment Rate - Actual 84.5%
5. Participant Satisfaction - Actual 80.2%

Target: At least 77% of AVTEC students complete long-term programs.

Measure: The percent of AVTEC students who complete long-term programs.

AVTEC Student Completion Rate

Year					YTD Total
1999					75%
2000					80%
2001					80%
2002					77%
2003					80%

Analysis of results and challenges: AVTEC has been nationally accredited by the Council on Occupational Education (COE) since 1997. The COE benchmark for measuring "students that complete long-term training programs" is established as the national average of more than 370 similar public post-secondary institutions. For each year from 1999 to 2003, AVTEC has consistently exceeded the benchmark. The COE benchmarks established were: 1999=65%, 2000=67%, 2001=76%, 2002=67%, and 2003=70%.

Key RDU Challenges

Monitor the Congressional reauthorization of the federal Workforce Investment Act in 2004. Potential changes to performance measures, youth program design and One Stop partners could be detrimental to Alaska's program.

Increase the involvement of business and employers in Alaska's workforce investment system and increase job-training resources in priority occupations.

Strengthen the business-led Workforce Investment Board through better coordination of workforce development with the Departments of Education, Economic Development and Health and Social Services.

Maintain levels of federal program performance despite a 42% (\$7.2 million) reduction in funds from the WIA.

Significant Changes in Results to be Delivered in FY2005

The Alaska Workforce Investment Board and the Business Partnerships (BP) RDU will focus on better coordination of resources between the Departments of Commerce and Economic Development, Education and Early Development and Health Social Services that are working in the same community and the same projects in pursuit of improved quality of life. We will also focus on better regional coordination and communication with agencies working in the regions.

There will be a significant reduction in federal training grants due to a 42% (\$7.2 million) reduction in WIA funds; however the effects of this reduction will be partially offset by a new \$8 million dollar federal National Emergency Grant (NEG) for unemployed fisherman. This grant will assist in absorbing the shortfall in the WIA Dislocated Worker program.

Major RDU Accomplishments in 2003

Business Partnerships (BP) successfully integrated Alaska's workforce investment system into one statewide area and reduced administrative duplication through the elimination of two local workforce areas.

BP improved the WIA Youth program performance outcomes against federally negotiated performance measures to avoid sanctions from the USDOL.

AVTEC received accreditation renewal from the Council on Occupational Education for another six years.

BP developed an integrated statewide approach to awarding grants from multiple funding streams.

Contact Information
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**Business Partnerships
RDU Financial Summary by Component**

All dollars shown in thousands

	General Funds	FY2003 Actuals Federal Funds	Other Funds	Total Funds	General Funds	FY2004 Authorized Federal Funds	Other Funds	Total Funds	General Funds	FY2005 Governor Federal Funds	Other Funds	Total Funds
<u>Formula</u>												
<u>Expenditures</u>												
None.												
<u>Non-Formula</u>												
<u>Expenditures</u>												
Workforce	0.0	0.0	0.0	0.0	0.0	1,345.5	1,289.1	2,634.6	0.0	430.7	712.9	1,143.6
Investment												
Boards												
Business	0.0	0.0	0.0	0.0	0.0	34,790.0	5,362.8	40,152.8	0.0	35,604.0	6,179.5	41,783.5
Services												
AVTEC	0.0	0.0	0.0	0.0	3,140.5	450.0	3,535.2	7,125.7	3,090.5	450.0	3,691.1	7,231.6
AVTEC	0.0	0.0	0.0	0.0	0.0	0.0	885.1	885.1	0.0	0.0	874.8	874.8
Facilities												
Maintenance												
Kotzebue Tech	0.0	0.0	0.0	0.0	0.0	300.0	500.9	800.9	0.0	300.0	500.9	800.9
Operations												
Grant												
Totals	0.0	0.0	0.0	0.0	3,140.5	36,885.5	11,573.1	51,599.1	3,090.5	36,784.7	11,959.2	51,834.4

Business Partnerships
Summary of RDU Budget Changes by Component
From FY2004 Authorized to FY2005 Governor

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2004 Authorized	3,140.5	36,885.5	11,573.1	51,599.1
Adjustments which will continue current level of service:				
-Workforce Investment Boards	0.0	-914.8	-576.2	-1,491.0
-Business Services	0.0	974.0	769.0	1,743.0
-AVTEC	0.0	0.0	55.9	55.9
-AVTEC Facilities Maintenance	0.0	0.0	-10.3	-10.3
Proposed budget decreases:				
-Business Services	0.0	-160.0	0.0	-160.0
-AVTEC	-50.0	0.0	0.0	-50.0
Proposed budget increases:				
-Business Services	0.0	0.0	47.7	47.7
-AVTEC	0.0	0.0	100.0	100.0
FY2005 Governor	3,090.5	36,784.7	11,959.2	51,834.4